

Message Text

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14

ACTION COME-00

INFO OCT-01 EA-09 ISO-00 EB-07 MC-02 AID-05 CIAE-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 /067 W

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R 130605Z FEB 76

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 6872

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DEPT PASS TO DOC

E.O. 11652: N/A

TAGS: EIND, JA

SUBJECT: GOJ TO REGROUP DATA PROCESSING INDUSTRY BEGINNING APRIL 1

1. JAPANESE ENGLISH LANGUAGE TRADE PRESS HAS BEEN REPORTING DECISION BY MITI TO REGROUP JAPANESE INFORMATION PROCESSING INDUSTRY IN LINE WITH MITI'S FIVE-YEAR SOFTWARE PRODUCTION TECHNOLOGY DEVELOPMENT PROGRAM BEGINNING JAPAN FY 1976 (APRIL 1, 1976). OBJECTIVE OF PROGRAM, WHICH IS TO BE ACCOMPLISHED THROUGH QUOTE ADMINISTRATIVE GUIDANCE UNQUOTE, IS TO CHANNEL COMPETITIVE ENERGIES OF JAPAN'S APPROXIMATELY 1,000 SOFTWARE FIRMS INTO MORE COOPERATIVE MODE. CURRENT ANNUAL SALES OF MYESE FIRMS NOW AT ABOUT \$700 MILLION. MITI REGROUPING PROGRAM WAS PROMPTED BY IMPENDING 100 PERCENT CAPITAL LIBERALIZATION OF COMPUTER SOFTWARE INDUSTRY DUE TO TAKE EFFECT APRIL 1, AND PERCEIVED COMPETITIVE THREAT FROM MORE SOPHISTICATED U.S. SOFTWARE INDUSTRY.

2. MITI PLANNING TO ESTABLISH NEW COMPANY, FINANCED BY ABOUT 10 OF EXISTING SOFTWARE FIRMS, WHICH WILL RECEIVE ORDERS FOR NATIONAL SOFTWARE DEVELOPMENT PROJECTS AND ALSO CONSIGN ORDERS TO PRIVATE SOFTWARE FIRMS. REGROUPING WILL ALIGN SOFTWARE INDUSTRY INTO THREE PHASES: CAPITAL, UNCLASSIFIED

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TRANSACTIONS, AND INDEPENDENT COMPANIES IN SPECIAL LINES OF

BUSINESS. PREVIOUS GOJ (MITI) EFFORT TO SET UP GOVERNMENT
SPONSORED SOFTWARE COMPANY ENDED IN FINANCIAL FAILURE
WHEN SUFFICIENT GOVERNMENT CONTRACTS FAILED TO
MATERIALIZE BECAUSE OF RECESSION.
HODGSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, ADP SERVICES, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760057-0407
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760248/aaaabqch.tel
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Locator: TEXT ON-LINE, ON MICROFILM
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Original Classification: UNCLASSIFIED
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Margaret P. Grafeld
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